

Memorandum

To: Chairman and Commissioners

Date: October 15, 1998

From: Robert I. Remen

File No: M1
Book Item 4.8
ACTION

Ref: ANNUAL \$4.25 MILLION ALLOCATION SET-ASIDE FOR THE PUBLIC UTILITY COMMISSION RAILROAD GRADE CROSSING PROTECTION MAINTENANCE PROGRAM FOR FY 1999-00 RESOLUTION G-98-

Issue:

Should the Commission support the Public Utilities Commission's (PUC) request (Attachment A), which was adopted by resolution at the PUC's September 17, 1998 meeting, to increase the \$1 million allocation set-aside in the proposed FY 1999-00 State Budget to a \$4.25 million allocation set-aside for its Railroad Grade Crossing Maintenance Program, as allowed by Public Utilities Code Section 1231.1?

Recommendation:

Staff recommends that the requested increase from \$1 million to a \$4.25 million allocation set-aside in the proposed FY 1999-00 Budget for the Railroad Grade Crossing Maintenance Program be approved by adopting the attached resolution (Attachment B). This recommendation is justified because:

- the Commission has recognized, as a matter of safety, the importance of maintaining the grade crossing protection devices at the interface of road/rail transportation systems; and
- the PUC has demonstrated that based upon anticipated claims, the appropriate level of funds to be set aside for allocation from the proposed FY 1999-00 Budget is \$4.25 million.

Background:

Safety is the primary reason for the Railroad Grade Crossing Maintenance Program. The Automatic Grade Crossing Protection Maintenance Fund was established by the Legislature in 1965 to pay the cities' and counties' share of the cost for maintaining automatic grade crossing protection devices installed by the railroad corporations after October 1, 1965. Between 1967 and 1977, the \$1 million appropriated annually by the State Legislature for maintenance of warning devices was sufficient to cover all claims filed by the railroad and street railroad corporations. In 1973, changes to the federal grade crossing protection funding program resulted in the increased installation and upgrading of automatic grade crossing protection devices and consequently claims began exceeding the funds available in Calendar Year 1977 and thereafter. The maintenance fund claims for the five-year period between FY 1993-94 and FY 1997-98 have averaged \$4.3 million per year. The maintenance fund claims for Calendar year 1998 are expected to be more than \$4.3 million for an estimated 3,050 crossings.

The cities' and counties' share of the cost for maintaining automatic grade crossings, which is paid for by the State through this grade crossing maintenance program, represents typically only 50% of the total project cost; the remaining 50% is borne by the railroad corporations. This 50-50 payment split is based on the premise that rail and highway users equally share the crossing and should therefore equally share the cost of maintaining the crossing devices, unless prescribed otherwise by the PUC. Thus the \$4.25 million in state funds leverages up to \$4.25 million in railroad corporation funds which together are used to offset grade crossing maintenance costs.

The Commission has approved over the years the PUC request for increased allocation set-asides. Since FY 1993-94, the Commission has supported a \$4.0 million PUC budget allocation set-aside request. In fiscal year 1997-98, the Commission supported a \$4.25 million request by the PUC, which represented a \$250,000 increase above the FY 1996-97 request.

Attachments

ATTACHMENT A

PUC RESOLUTION SR-99. RECOMMENDATION TO THE CALIFORNIA
TRANSPORTATION COMMISSION FOR INCREASED FUNDING
TO BE SET ASIDE FOR MAINTAINING AUTOMOTIC GRADE-
CROSSING PROTECTION DEVICES UNDER PUBLIC UTILITIES
CODE SECTION 1231.1.

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CALIFORNIA TRANSPORTATION COMMISSION

Support Increasing the Allocation Set-Aside
From \$1 Million to \$4.25 Million for the PUC's
Railroad Grade Crossing Protection Maintenance Program

Resolution #G-98-__

- 1.1 WHEREAS, the Automatic Grade Crossing Protection Maintenance Fund was established by the Legislature in 1965 (PUC Section 1231.1) to pay the cities' and counties' share of the cost of maintaining automatic grade crossing protection devices installed by railroad corporations after October 1, 1965; and
 - 1.2 WHEREAS, since 1967 a minimum of \$1 million per year has been appropriated by the State Legislature and allocated by the California Transportation Commission to the PUC for its Railroad Grade Crossing Protection Maintenance Program; and
 - 1.3 WHEREAS, the total claims submitted by the railroad corporations have substantially exceeded the \$1 million cap since 1977; and
 - 1.4 WHEREAS, the anticipated claims submitted to the PUC for FY 1999-00 are estimated to be \$4.3 million, which exceeds the annual \$1 million cap by \$3.3 million; and
 - 1.5 WHEREAS, the Commission recognizes the importance of maintaining the grade crossing protection devices for increased safety on the transportation system.
- 2.1 NOW THEREFORE BE IT RESOLVED, that the California Transportation Commission supports an additional \$3.25 million allocation set-aside for use in the PUC grade crossing protection maintenance program which would increase the total allocation set-aside to \$4.25 million, providing revenues are available in FY 1999-00 from the State Highway Account.